

**INDIANA SECRETARY OF STATE
SECURITIES DIVISION**

FILED
OCT 30 2008

IN THE MATTER OF:)

LICENSING UPDATES)

NECESSITATED BY THE DESIGNATION)

OF THE NATIONWIDE MORTGAGE)

LICENSING SYSTEM AND REGISTRY)

08-0943 AO

ADMINISTRATIVE ORDER

The Indiana Secretary of State and the Securities Commissioner ("Commissioner") have determined that it is appropriate and in the public interest to issue an Administrative Order regarding the Licensing Updates Necessitated by the Designation of the Nationwide Mortgage Licensing System and Registry as the multistate automated licensing system responsible for processing applications and renewal applications for licenses and registrations.

Statutory Context

Section 11 of the Indiana Loan Broker Act ("Act") provides that the Commissioner may designate a multistate automated licensing system and repository, operated by a third party to serve as the sole entity responsible for processing applications for licenses and renewals as well as for performing other services that the Commissioner determines are necessary for the orderly administration of the Securities Division's licensing system. The Commissioner may take any action necessary to allow the Securities Division to participate in a multistate automated licensing system and repository. Ind. Code § 23-2-5-11(a)(16).

Background

On September 23, 2008, the Commissioner officially designated the Nationwide Mortgage Licensing System and Registry ("NMLSR") as the sole entity responsible for processing applications for licenses and renewals and acting as a repository for application information. Beginning with the entities and individuals renewing in 2008, the Securities Division will only accept renewal applications for licenses and registrations if they are submitted through the NMLSR. Also, beginning in November 2008, all initial license and registration applications must also be submitted through the NMLSR. By November 1, 2008, the Securities Division will no longer accept paper applications, either for renewals or for initial applications. The NMLSR will store and process application materials for the Securities Division, except for the materials that must be submitted by paper to the Securities Division. The application process

through the NMLSR includes a checklist of materials to be submitted on paper to the Securities Division.

The NMLSR requires that all licensees on the system maintain a one (1) year licensing period. To comply with the requirements of the NMLSR, the Commissioner must reduce the licensing or registration period under Ind. Code § 23-2-5-6 for loan brokers, principal managers, and originators from two (2) years to one (1) year. Loan brokers, principal managers, and originators will be required to renew their licenses and registrations annually, beginning with the licenses and registrations set to expire on December 31, 2008. Loan brokers, principal managers, and originators set to expire at the end of 2009 will be required to renew their licenses and registrations beginning in November 2009 and annually thereafter. Currently exempt loan brokers, which are required to obtain a license from the Securities Division prior to January 1, 2009, according to the guidelines issued by the Securities Division and the Department of Financial Institutions (available at <http://www.in.gov/sos/securities/>), must follow the instructions on the NMLSR to transition onto the NMLSR. These formerly exempt loan brokers are required to complete the transition by December 31, 2008.

As a result of the decrease in registration period from two (2) years to one (1) year, the registration fees for loan brokers, principal managers, and originators under Ind. Code § 23-2-5-5 must also be decreased proportionally. For loan brokers, the license fee is reduced to two hundred dollars (\$200), plus one hundred dollars (\$100) for each ultimate equitable owner. For originators, the application fee is reduced to fifty dollars (\$50). For principal managers, the application fee is reduced to one hundred dollars (\$100). The other fees involved, such as the fee for the FBI criminal history report and the assessment fees for the loan originator and principal manager assessments will remain the same. Also, licensees and registrants will be required to pay the fees for the NMLSR system, and which are set by the NMLSR.

As part of the Commissioner's designation of the NMLSR, the Commissioner is adjusting the deadline for renewals. Currently, under Ind. Code § 23-2-5-6, licensees and registrants renew their license or registration by a renewal application at least thirty (30) days prior to the expiration of the license or registration. Since all licenses and registrations have expired on December 31, renewals have been due thirty (30) days prior, by December 1. The NMLSR simplifies the application process, which eliminates the need for applications to be submitted thirty (30) days prior to expiration. Some aspects of the registration process are not immediate, however, and applicants are encouraged to submit their applications early. Under the NMLSR, licensees and registrants can effectuate their renewal through the NMLSR until the end of the year, December 31, each year they are required to renew. Licensees and registrants will have a renewal timeframe from November 1 through December 31 to complete their renewals.

IT IS THEREFORE ORDERED that:

Pursuant to Ind. Code § 23-2-5-11(a)(16) the Securities Commissioner reduces the license and registration period under Ind. Code § 23-2-5-6 from two (2) years to one (1) year.

Pursuant to Ind. Code § 23-2-5-11(a)(16) the Securities Commissioner reduces the license fee for loan brokers under Ind. Code § 23-2-5-5(a) to two hundred dollars (\$200) plus one hundred dollars (\$100) for every ultimate equitable owner. The Securities Commissioner reduces the

registration fee for originators under Ind. Code § 23-2-5-5(b) to fifty dollars (\$50). The Securities Commissioner reduces the registration fee for principal managers under Ind. Code § 23-2-5-5(c) to one hundred dollars (\$100).

Pursuant to Ind. Code § 23-2-5-11(a)(16) the Securities Commissioner adjusts the deadline to submit a renewal under Ind. Code § 23-2-5-6 to December 31 of the calendar year in which the license expires.

DATED at Indianapolis, Indiana, this 30TH day of OCTOBER, 2008.



TODD ROKITA
SECRETARY OF STATE

CHRIS NAYLOR
SECURITIES COMMISSIONER